

Dear Chairman Martin:

As the Chairperson of the Navajo Nation Telecommunications Regulatory Commission, I write to submit comments on behalf of the NNTRC regarding the FCC's proposed changes to the Service Rules for the 698-746, 747-762 and 777-792 MHz Bands.

The following comments are based on the existing conditions that exist on the Navajo Nation. The Navajo Nation consists of 27, 000 sq. miles with a population of more than 200,000 residents divided into 110 communities. The Communities are divided into 5 regions that are represented by 5 governmental agencies that address the health, safety, education, governmental and economic needs for their respective communities. The communication links between these agencies and the individual chapters is limited and at some places non-existent. There has been only one Incumbent Local Exchange Carrier that has served the Navajo Nation for years, but because of federal right-of-way issues and limited funding this company has only penetrated 38% of Navajo Nation households.

In 2003 the Navajo Nation decided to revive the Navajo Nation Telecommunication Regulatory Commission to regulate telecommunication activities on the Navajo Nation. One main reason for this decision was that a particular cellular carrier, Cellular One, was moving onto the Navajo Nation to provide cell phone services to its communities. The Navajo Nation realized that a regulatory body is needed to control the quality of services provided by this and future telecommunication providers.

The Navajo Nation boundaries cross portions of the states of New Mexico, Arizona, and Utah, and sits in Economic Areas 154, 156, and 155 of Regional Economic Area Group 5 (Central).

Service area for the Auction of the 700 MHz band.

The situation of issuing licenses in the Economic areas is ideal for the Navajo Nation's services areas for the 700 MHz band licensing plan. The main reason the NN favors this plan is that the licensees will have a more localized interest and can concentrate on improving services to the Navajo Nation within their service area. If the service area was increase to the size of one of the 6 REAG, Licensees will have less incentive to serve rural areas within our REAG, and the likelihood of an increase in price for using the 700 MHz spectrum in our area. In addition, the Navajo Nation favors the Economic Areas licensing because the Economic Areas are similar in size to the Cellular Market Areas of 319, 320, 678, and 553. The Navajo Nation believes that localized licensing can meet the needs of the growing rural communities of the Navajo Nation and provide Advance Wireless Services to improve the Education, Health, Security, Governance, and Economic entities of all 110 Navajo communities.

Optimal services area and Cost impact.

The cost impact would cause telecommunication providers to purchase 3 area licenses instead of 2 to cover the needs of the Navajo Nation. The Navajo Nation strongly supports the Rural Cellular Association and the Rural Telecommunications Group findings that competition will be promoted, because there will be options for various providers to obtain licenses for the three areas. Instead of having one provider owning one license, the Navajo Nation can have three different license holders competing against each other and will eventually lead to an improvement of services for its communities.

#### Spectrum Blocks suitable for Reassignment.

The Navajo Nation recommends the use of the channels 61 and 66 within the D blocks of the upper 700 MHz band to minimize costs for filtering capabilities on equipment to meet the out-of-band emission limits. The Navajo Nation supports the USCC's proposal to divide the 20 MHz D Block in the upper spectrum blocks into 10 MHz blocks to support the implementation of Advance Wireless Services. Because of the remoteness of the Navajo Nation, Advances Wireless Services is an ideal solution in providing much needed services to Navajo communities. The 10 MHz blocks should be licensed in the Economic Areas related to the geographical region of the Navajo Nation to get at least two competing providers within our area. Also the Navajo Nation is recommending the use of 6 MHz of B blocks for support of WiMax and other Advance Wireless Services technologies.

#### Substantial Services.

The Navajo Nation suggests that the standard for "substantial services" be increased to cover more than 20% for the service area. As mentioned, the Navajo Nation is a highly rural area and there is need to promote "substantial services" by raising the level of coverage to at least 75% of the geographical area, before any type of license renewal is offered.

#### Construction Benchmarks.

The Navajo Nation suggests that the construction benchmarks should be based on the geographical area, because Navajo communities are extremely rural and should not be overlooked. These communities especially need services to grow. By making the benchmarks higher, Telecommunication providers will be compelled to invest in the build out of these rural areas. The construction benchmarks should be raised to 33% of the geographical area for the first five years and 75% of the Geographic areas within 10 years. These benchmarks should provide the services providers enough time to meet the needs of the rural communities of the Navajo Nation.

Keep what you use.

The Navajo Nation supports any rules that enhance services in rural areas. Therefore the Navajo Nation supports the Commissions “Keep What You Use” rule and the reclamation of any unused portions of the spectrum in rural areas. This rule will provide an avenue for future providers to build out and use this unused spectrum. Not only will this promote competition but it will insure the build out of services to rural areas and the provisions of services to enhance the ability to provide for the health, safety and general welfare of Navajo Nation residents.

#### Length of License Terms

The Navajo Nation suggests that the license term be limited to 15 years following commencement of such operations for all services. The reason this is because of the “substantial services” statement we made above concerning the 75% geographical coverage. By setting the license terms at 15 years the service provider has enough time to meet the “substantial services” criteria.

#### Power Limits and Related Requirements

The Navajo Nation suggest that the power limits be kept at the 1 kW for the upper 700 MHz band and 50 kW for the lower 700 MHz band. The high point on the Navajo Nation is current occupied by a utility company that has monitoring equipment installed to monitor power substations, water wells, treatment facilities and water pumping stations. Therefore power limits is extremely important and any equipment that is using more than 200 kW of power, without filtering equipment, will interfere with these monitoring systems.

The NNTRC appreciates the opportunity to submit comments and looks forward to working with the appropriate FCC staff in addressing the telecommunications needs on the Navajo Nation by amendment of selected rules and regulations.